

WHY MEN EARN MORE THAN WOMEN? A STUDY ON DIFFERENCES IN PERCEPTION OF MALE AND FEMALE IT EMPLOYEES OF KERALA

ARCHANA THULASEEDHARAN¹ & VINITH KUMAR NAIR²

¹Department of Management, Bishop Jerome Institute, Kollam, Kerala, India

²Department of Management, TKM Institute of Management, Kollam, Kerala, India

ABSTRACT

This quantitative study conducted among the IT employees of Kerala is aimed to find out the perception of factors causing gender pay gap. We also studied the difference in the perception of male employees and female employees on the existence as well as the factors influencing the gender pay gap. Through questionnaire survey the data was collected and analyzed. We found out that a majority of respondents perceived gender pay gap in their organizations. Our study found out that the male employees perceived Quality of output followed by working for long hours and projecting oneself, While the Female employee's perceived Gender discrimination, followed by Quality of output and Projecting oneself (Impression Management) as the most important factors that causes Gender pay gap

KEYWORDS: Gender Discrimination, Gender Pay Gap, Perception, Projecting

INTRODUCTION

According to the 2013 Annual Report on Gender Gap Index published by World Economic Forum, India stood in the 101st position among the 136 countries. Compared to the previous years, India's position has improved marginally after hovering between 114th and 112th positions in 2007 and 2011. The Global Gender Gap Index measures the 'relative gaps between women and men' across countries in four key areas - health, education, economics and politics. India's gender gap index was 0.655 on a 0 to 1 scale, with 0 denoting inequality and 1 equality. The Female to Male ratio of wage in equality for similar work is 0.62.

The Gender inequality index of UNDP 2012 report shows that India stood much lower with a rank of 132 among the 187 countries. The report shows that the major disadvantages faced by women and girls across the world are inequality. All too often, women and girls are discriminated against in health, education and the labor market. The report also mentioned that the losses in achievement due to gender inequality range from 4.5% to 74.7%. Among this the most discussed concept is gender pay gap According to OECD Gender pay gap (also known as gender wage gap, male-female income difference, gender gap in earnings, gender earnings gap, gender income difference) is the difference between male and female earnings expressed as a percentage of male earnings. In a study conducted by IWPR (2013) it was found that during 2012, the median weekly earnings for female full-time workers was \$691, compared with \$854 per week for men, a gender wage ratio of 80.9 percent. In majority of countries, women's wages ranges between 70 and 90 per cent of men's wages, while in some Asian and Latin American countries, it is with even lower ratios (ILO 2009: 19).

In spite of the constant effort of Indian constitution for the economic and social equality, we are not free from it even after sixty years of independence. Paul et al 2012. In India Way back in the year 1976, Equal Remuneration Act came

into effect. The Constitution recognized the principle of 'Equal Pay for Equal Work' for both men and women and 'Right to Work' through Article 39(d) and 41. So are we free from gender pay gap? In India, the gender pay gap for the year 2011 is 28.13%. While for the year 2013, it has declined to 24.81% and there is a decline for this phenomenon over the past few years. Before the year 2007, women earned 41.94% less than men.

Now the question is why do Indian women earn less? Still, in most estimates, wage gap remains an unexplained part, and is usually interpreted as stemming from discrimination. Another study by Blau and Kahn 2007 found out that 60 percent of the wage gap can be attributed to known factors such as work experience at 10 percent, union status at 4 percent, race/ethnicity at 2.4 %, industry at 27.4%, and choice of occupation at 27 percent. The rest 41.1% belongs to the category unexplained in other words there is no obvious measurable reason for a difference in pay. This unclear portion is the most complicated one. This leaves us with possible explanations that range from overt sexism to unintentional gender-based discrimination to reluctance among women to negotiate for higher pay.

Thus even though on one side we speak about the economic growth, on the other side we need to work a lot on the inequality aspects especially the gender pay gap. There are many studies conducted on the gender wage gap, but very few studies are conducted in the region of Kerala. Hence we decided to focus on the booming IT sector of Kerala. Our focus was to find out the perception of IT employees on the causes of why women earn less in spite of education, skill and experience compared to men

THEORETICAL FRAME WORK

There are many theories of wage discrimination. According to statistical discrimination theory the employer have a tendency to judge an individual based on the group characteristics; in that gender can be one of the factors. Now if the employer considers women as generally less productive, then it may influence the hiring decision. This can also end up in unequal earnings between employees of equal productivity. Let's move to one of the oldest theory of wages given by Becker (1957) studied by many researchers viz. Arrow (1982). According to this framework the wage discrimination can be explained by employer's tastes or preference.

The prejudice makes the employer blind and he perceives the monetary cost of hiring as being much higher which leads to different earnings. Another theory the Monosponic discrimination of wages originally given by Joan Robinson, argues that women had considerably less mobility and hence paid less. Ferber, Kordic (1978) Oaxaca (1973). In this paper, we also consider another important psychological theory on gender pay gap which argues the psychological differences in the behavior of men and women. According to Babcock and Laschever (2003), a powerful cause of gender pay gap is the lack of negotiation from the side of women. If we review all the above frame works, we can understand that unequal earnings underline the structure of all the theories.

METHODOLOGY

From the literature review, it is quite obvious that there exists gender pay gap in almost all regions and it's not a new topic. But we could not identify much study from the state of Kerala. Hence we decided to study from the perception of the IT employees, what are the various factors causing gender pay gap in the IT industry of Kerala. Also we find out the whether there is any difference in the perceptions of male and female IT employees on the causes. We have also made an attempt to find out the factors that influences the pay of male employees as well as female employees.

H1: There is difference in the perception of male employees and female employees on the factors influencing pay

H2: There is gender difference in the perception of male employees and female employees on the factors influencing pay of male employees

H3: There is gender difference in the perception of male employees and female employees on the factors influencing pay of female employees

This Quantitative research was undertaken in 32 IT organizations of Techno Park Trivandrum. A questionnaire was developed for this purpose and through a postal survey we send across questionnaire to 125 IT employees. We received 108 responses of which we rejected 8 and put 100 as our sample. The demographic variables like gender along with job level of the employees were taken into consideration. As our objective was to find out the perception of factors causing gender pay gap pay, the sample comprised of 50 female employees and 50 male employees. The samples were collected from Entry level (30%), Mid-Level (60%), and top level (10%) using stratified sampling. They were all with good IT education background (B Tech, MCA, M.Sc. etc.)

The questionnaire consists of 16 items. The constructs were from the focus group study conducted by the researchers as well as developed from the literature review undertaken in the beginning of the study. The constructs are 1) Networking with superiors, 2) Working long hours, 3) Projecting oneself/Impression management, 4) Bargaining power 5) Gender Discrimination. Apart from this we also included quality of life as the sixth factor because find that term repeatedly used by the focus group. We used 5 point Likert type response anchored by 5(To a very great Extend) 4 (To a great Extend) 3 (To some Extend) 2(To little Extend) 1 Not At all

Data from 100 respondents were first analyzed using SPSS by descriptive statistics. The Mean SD and Overall ranking of the factors were found out. Our next objective was to find out whether there is any difference in the perception of male employees and female employees on the factors. This was done by calculating the Spearman Rank correlation. Followed by this, we measured the perception of factors influencing the pay of male employees. Here through descriptive statistics, we measured the variables- Men Bargain for salary, men has good networking with superiors, men well in self-projection, men work overtime.

We then calculated the Gender wise Mean and SD and then to find out whether there is any difference in the perception of male employees and female employees on the above variables, we calculated the t test. Similarly we then measured the perception of factors influencing Female employees as well as whether there is any difference in the perception of male employees and female employees on the same. To find out the value of T, that corresponds to an area of .05%, in both tails of distribution, combined when there are 99 degrees of freedom; the appropriate T value is taken as 1.960

RESULTS AND DISCUSSIONS

As mentioned in the methodology, the aim of our study was to find out the perception of causes of glass ceiling in pay. We started of this with finding out the respondent's perception on the existence of gender pay gap and then their perception factors that influences the gender pay gap.

- **Result 1**

The survey results showed that 42% of male respondents strongly agree, 39% Agree and the rest 14% to some

extent agree that they perceive the existence of gender pay gap in IT sector Kerala. Among the female respondents 76% strongly agree, 16% agree and 8% agree that they perceive the existence of gender pay gap.

• Result 2

The descriptive analysis of the perception of factors influencing the Pay showed that Quality of output (Mean 4.33) followed by projecting oneself with a mean of 3.98 and working for long hours with a mean of 3.96 were rated high by the respondents. Other factors were Bargaining power with a mean of 3.72, followed by Networking with superiors with a mean of 3.16. Among the factors, respondents perceived gender discrimination (Mean 2.95) as the least influencing factor that influences pay

• Result 3

To find out whether there is any difference in the perception of male employees and female employees on the factors that influences pay, we calculated the Spearman's rank correlation. As shown in the "Table 1" the male employees perceived Quality of output (Mean 4.42) as the factor that influences the pay the most. This was followed by working for long hours and projecting oneself both with a mean of 3.98. While the Female employee's perceived Gender discrimination (Mean 4.28) as the most important factor that influences pay, followed by Quality of output with a mean of 4.24 and Projecting oneself with a mean of 3.98. For the factor Projecting oneself even though the perception of ranks of male employees and female employees were different, the mean for male and female employees were the same (3.98)

Table 1: Gender Wise Rank and Spearman's Rank Correlation

Factors Influencing Pay	Gender	N	Mean	Std. Deviation	Std. Error Mean	Rank Male	Rank Female	d*d
Working for Long hours	Male	50	3.9800	.82040	.11602	2	4	4
	Female	50	3.9400	.79308	.11216			
Bargaining Power	Male	50	3.6400	.94242	.13328	3	5	4
	Female	50	3.8000	.88063	.12454			
Networking with Superiors	Male	50	2.6400	1.24146	.17557	4	6	4
	Female	50	3.6800	1.13281	.16020			
Projecting Oneself	Male	50	3.9800	.84491	.11949	2	3	1
	Female	50	3.9800	.82040	.11602			
Quality of Out put	Male	50	4.4200	.64175	.09076	1	2	1
	Female	50	4.2400	.77090	.10902			
Gender Discrimination	Male	50	1.6200	.66670	.09429	5	1	16
	Female	50	4.2800	.75701	.10706			
							Total	30

The results of the Spearman's Rank correlation to test the hypothesis whether there is any correlation in the ranked data of population is shown below

H₀: $\rho_s = 0$ - Null hypothesis: there is no correlation in the perception of ranks of the male employees and female employees

H₁: $\rho_s \neq 0$ - Alternate hypothesis: There is a correlation in the perception of ranks of male employees and female employees

$\alpha = 0.05$ Level of significance to test the hypothesis

Spearman Rank Correlation

$$\rho = 1 - \frac{6 \sum d_i^2}{n(n^2 - 1)} = 0.7142$$

The Values of Spearman's Rank Correlation (r_s) for Combined Areas in Both Tails

The two tailed test of significance at 0.05 level of significance with $n=6$ is 0.8286. Since the calculated value (0.7142) is less than the table value (0.8286), the null hypothesis is accepted and alternate hypothesis is rejected. Hence we conclude that there is no correlation in the perception of ranks of male employees and female employees.

• Result 4

Next we found out the perception of causes for men earning a higher pay compared to women. We found out that Men Working overtime (Mean 4.33), Good Networking with Superiors (Mean 4.27) are the two factors that are rated as the most important factors, followed by Men bargains for salary (Mean 3.96) and Good in projection (Mean 3.08) as the factors that influence a high pay of Male employees.

The test static T obtained for the variables are shown in "Table 2". For the variable Men bargain for salary, the t value is 1.163, which is less than the table value 1.960. Hence there is no significant difference between male and female candidates in the perception of the variable Men bargain for salary which is confirmed by a single 2 tailed value of 0.248. Similarly the T values of all the other 2 variables Men has good networking with superiors (t value 1.835) and Men work overtime (t Value .964) as shown in table is 10 is less than the table value which shows that there is no significant differences in the perception of male and female employees and hence we accept the null hypothesis. For the fourth factor Men is good in projecting/Impression Management which in turn influence the pay, the T value is 2.646 which is greater than the table and hence we accept the alternate hypothesis that there is significant differences in the perception of male employees and female employees on this variable

Table 2: Difference of Perception of Male and Female Employees on Factors Influencing Male Employees Pay

Independent Samples Test										
		Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Interval of the	
									Lower	Upper
MENBARGAINSSALARY	Equal variances assumed	1.114	.294	-1.163	98	.248	-.24000	.20643	-.64965	.16965
	Equal variances not assumed			-1.163	92.669	.248	-.24000	.20643	-.64994	.16994
MENHASGOODNETWORKINGWITHSUPERIORS	Equal variances assumed	.701	.405	-1.835	98	.069	-.30000	.16346	-.62438	.02438
	Equal variances not assumed			-1.835	94.226	.070	-.30000	.16346	-.62454	.02454
MENWORKOVERTIME	Equal variances assumed	1.361	.246	-.964	98	.337	-.14000	.14515	-.42805	.14805
	Equal variances not assumed			-.964	97.299	.337	-.14000	.14515	-.42808	.14808
MENGOODINPROJECTINGINFOINSELF	Equal variances assumed	1.132	.290	-2.646	98	.009	-.52000	.19650	-.90995	-.13005
	Equal variances not assumed			-2.646	93.743	.010	-.52000	.19650	-.91017	-.12983

Finding 5

We found out through descriptive statistics that for the factor women bargains for salary, the mean is 1.86. Except for the factor Women find it difficult to work for long hours (mean 3.09), all the other factors have a lower mean compare to that of the male employees. The mean for Networking with superiors was 2.18 and Good in projecting oneself was 1.97. The t Test results to test the hypothesis, whether there is difference in the perception of male employees and female employees on the factors that influences pay of women employees are shown in "Table 3". Women bargain for salary, the t value is 1.138, Women has good networking with superiors the t Value is 1.014. We found out that there is no significant difference between male and female candidates in the perception of the variable women bargain for salary and women has good networking with superiors which is confirmed by a single 2 tailed value of 0.170 and .313 respectively. The T values of the other 2 variables women find it difficult to work for long hours (T value 19.144) and women are good in self-projection (T value 3.219) as shown "in Table 3" is greater than the table value 1.960 and hence we accept the alternate hypothesis that there is significant differences in the perception of male employees and female employees on this variable

If we compare the means For Factors influencing pay of Men, Mean of all the four factors as ranges between 3.08 to 4.33. but for women it ranges from 1.87 to 3.09. This arises a question whether Low scores on the variables like Bargaining Power, Networking with Superiors Projecting Oneself, Working for long hours are the hindering factors women and leads to less pay

Table 3: Difference of Perception of Male and Female Employees on Factors Influencing Male Employees Pay

Independent Samples Test										
		Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Interval of the	
WORKINGLONGHOURSINFLUENCEPAY	Equal variances assumed	.086	.770	.248	98	.805	.04000	.16137	-.28024	.36024
	Equal variances not assumed			.248	97.888	.805	.04000	.16137	-.28024	.36024
BARGAININGPOWERINFLUENCEPAY	Equal variances assumed	.693	.407	-.877	98	.383	-.16000	.18241	-.52199	.20199
	Equal variances not assumed			-.877	97.553	.383	-.16000	.18241	-.52201	.20201
NETWORKINGINFLUENCEPAY	Equal variances assumed	.918	.340	-4.376	98	.000	-1.04000	.23768	-1.51166	-.56834
	Equal variances not assumed			-4.376	97.189	.000	-1.04000	.23768	-1.51171	-.56829
PROJECTINGONESELFINFLUENCEPAY	Equal variances assumed	.145	.704	.000	98	1.000	.00000	.16655	-.33051	.33051
	Equal variances not assumed			.000	97.915	1.000	.00000	.16655	-.33052	.33052
QUALITYOFOUTPUTINFLUENCEPAY	Equal variances assumed	1.910	.170	1.269	98	.207	.18000	.14185	-.10150	.46150
	Equal variances not assumed			1.269	94.880	.208	.18000	.14185	-.10162	.46162
GENDERDISCRIMINATIONINFLUENCEPAY	Equal variances assumed	.299	.586	-18.646	98	.000	-2.66000	.14266	-2.94310	-2.37690
	Equal variances not assumed			-18.646	96.460	.000	-2.66000	.14266	-2.94315	-2.37685

CONCLUSIONS

Quality of output, projecting oneself, working for long are rated high by the respondents as factors influencing pay. Among the factors, respondents do not perceive gender discrimination. The difference in the perception of male employees and female employees on the factors that influences pay, showed that Quality of output is perceived by male employees as the factor that influences the pay the most followed by working for long hours and projecting oneself. While the Female employee's perceived Gender discrimination as the most important factor that influences pay, followed by Quality of output with a mean and Projecting oneself. For the factor Projecting oneself even though the perception of ranks of male employees and female employees are different, the mean for male and female employees are same. There is no significant difference between male and female candidates in the perception of the variable *Men bargain for salary, Men has good networking with superiors, Men work overtime, women bargains for salary and women has good networking with superiors*. There is a significant difference in the perception of male employees and female employees on the variable- *Men are good in projecting, women work for long hours and women are good in self-projection*. Before concluding we just did a simple comparison on the Means for the Factors influencing pay of Men, and the factors influencing the pay of women. It should be noted that it ranges between 3.08 to 4.33 for men while for women, it ranges from 1.87 to 3.09. So we put forward a scope for our study whether Low scores on the variables like Bargaining Power, Networking with Superiors Projecting Oneself, Working for long hours are the hindering factors for women and leads to less pay

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